USDA

United States Department of Agriculture	DATE**:**	January 29, 2007
Food and Nutrition Service	MEMO CODE:	SP 04-2007
	SUBJECT:	Scanned Income Applications
3101 Park Center Drive Alexandria, VA 22302-1500	TO:	Regional Directors Special Nutrition Programs All Regions
		State Directors Child Nutrition Programs All States

There have been multiple questions concerning software programs that scan free or reduced price applications but only capture income as whole dollar amounts. Software that only captures income as whole dollar amounts may not accurately reflect income, especially when multiple income sources compound the inaccuracy. This difference could result in the incorrect certification status of an applicant household.

While we support State and local efforts to automate the certification process, we do not evaluate or recommend any software used in this process. There are no federal specifications for vendors and we do not approve or endorse any of the software programs performing this function. Ultimately the local educational agency (LEA) is responsible for assuring that the certification process meets all regulatory requirements and policies for application processing and approval. Therefore, if software is used to perform all or part of the certification process, the LEA must assure the software used is performing correctly and is meeting all requirements.

We are interested to know why a LEA would purchase software that only captures whole dollar amounts since this does not on its own fulfill their responsibility to properly determine eligibility based on income. The State or LEA may require that the software/scanner system accept less than whole dollar amounts, which would eliminate the need to determine an error range and the need to review applications individually.

Software that only captures whole dollar income amounts could only be used if the LEA is 1) aware of the limitations of the software, and 2) individually reviews the applications that fall within the software's error range. The software's error range would be the maximum amount (in dollars and cents) that the software could deviate from the actual income. If the software only accepts whole dollar amounts, the LEA must determine the error range of the software, pull each application that is within the error range, and individually review these applications to make a determination.

State Agencies should contact their regional office with any questions about this issue. Thank you for your cooperation.

Original Signed

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